



MOSSE & MOSSE  
SCHOOL AND MUNICIPAL SERVICES

**Berlin-Boylston Public Schools &  
the Towns of Berlin and Boylston  
Long Term Disability Program New  
Hire Plan Outline**

- **Guaranteed Issue Program.** The benefit is a guaranteed issue product, meaning if you sign up in your first 30 days of employment, you cannot be denied access to the plan for any reason. However, if you do not elect the coverage when you are first offered it and then wish to join the plan at a later date, you have to prove evidence of insurability and you may be denied access to the plan.
- **LTD Monthly Benefit:** 60% of gross pay to a maximum of \$10,000 per month. All benefits will be paid income tax free, both federal and state, because the employees are paying the premium.
- **Elimination Period:** 90 Calendar days. This is the length of time that one has to be out of work before collecting benefits.
- **Benefit Duration:** benefits payable for disability to age 65/SSNRA (age 60 and older follow ADEA schedule, see attached).
- **Two year limitation** on benefits for:
  - Outpatient drug and alcohol abuse
  - Outpatient mental and nervous disorder
- **Residual/Partial Benefit:** During elimination and benefit period, an employee showing a 20% or greater earnings loss due to disability is benefit eligible. In the elimination period, the days worked on partial basis count towards fulfillment of period. After the elimination period, employee will receive partial benefits not to exceed 100% of pre-disability earnings.
- **Integration/Minimum benefit:** plan offsets with workers' compensation social security and disability retirement awards. Minimum benefit is \$100 per month.
- **Extended Own Occupation Protection** to age 65/SSNRA/ADEA for all teachers and administrators. This is the definition of disability and states when an individual is considered disabled. This definition states that an individual is disabled if he or she is unable to perform one of the material and substantial duties of his or her own occupation. Two year own occupation for all other employees.
- **3% Cost of Living Adjustment (COLA)** each year for a maximum of 5 adjustments
- **3/12 pre-existing condition clause.** Benefits will not be paid for any disability which begins in the first 12 months of being insured which is due to, or results from, a pre-existing condition. A pre-existing condition is a sickness or injury for which the employee has received treatment, took prescribed drugs or medicines, or consulted a physician during the 3 months prior to the employee's effective date of coverage. Once an active employee with a pre-existing condition is enrolled in the program for 12 months, that pre-existing condition is then covered going forward.

### *How much does the plan cost?*

The rate for our plan is the most competitive in the marketplace for the benefits in our contract. The rate is \$0.50 per \$100 of income and each employee will have the same rate regardless of age or salary. Below are several examples of the costs associated with our plan but the actual cost will be tailored specifically to each employee's individual annual salary.

Annual Salary	Annual Cost	Cost Per Pay Period (based on 24 pays)	Cost Per Pay Period (based on 48 pays)
\$20,000	\$100.00	\$4.17	\$2.08
\$30,000	\$150.00	\$6.25	\$3.13
\$40,000	\$200.00	\$8.33	\$4.17
\$50,000	\$250.00	\$10.42	\$5.21
\$60,000	\$300.00	\$12.50	\$6.25
\$70,000	\$350.00	\$14.58	\$7.29
\$80,000	\$400.00	\$16.67	\$8.33
\$90,000	\$450.00	\$18.75	\$9.38

**Formula for cost per pay period: Annual Salary x \$0.005 / Number of Pay Periods**

Example of an Employee earning \$50,000 with 24 pay periods:

1.  $\$50,000 \times \$0.005 = \$250.00$
2.  $\$250 / 24 \text{ pay periods} = \$10.42 \text{ per pay period}$

### *How do I sign up?*

If you wish to take advantage of this coverage, please complete the enrollment form by filling out your **Name, Date of Birth, Job Title, and Annual Salary** and check "I Elect" next to Long Term Disability and sign the bottom of the form. If you do not wish to enter the program, simply check "I refuse" and sign the bottom of the form.

If you'd like additional information or have any questions, free to contact our consultant at Mosse & Mosse, Brian Fitzgerald, at 781-224-1709 x139 or [brf@mosseservices.com](mailto:brf@mosseservices.com) He would be happy to answer any questions you may have about the program.

## **Maximum Benefit Duration Schedule**

This is the maximum length that an employee may collect LTD benefits.

### **Duration of Benefit Schedule - SSNRA**

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	Age 65
1938	Age 65 and 2 months
1939	Age 65 and 4 months
1940	Age 65 and 6 months
1941	Age 65 and 8 months
1942	Age 65 and 10 months
1943 through 1954	Age 66
1955	Age 66 and 2 months
1956	Age 66 and 4 months
1957	Age 66 and 6 months
1958	Age 66 and 8 months
1959	Age 66 and 10 months
After 1959	Age 67

### **Duration of Benefit Schedule – ADEA**

<u>Age at Disablement</u>	<u>Duration of Benefit</u>
Age 59 or less	To Age 65, but not less than 60 months
Age 60	60 months
Age 61	48 months
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 or older	12 months

\*Maximum Benefit Period is SSNRA or ADEA whichever is pays the longer period.